

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
March 6, 2018**

CALL TO ORDER

President Gail E. Johnson called the meeting to order at 6:00 p.m.

ROLL CALL

Physically Present: President Gail Johnson and Trustees Ryan Kauffman (attended at 6:06 p.m.), Karin McCarthy-Lange, Pam Parr, Luis Perez, Judy Sollinger and Joe West.

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Mark Horton, Finance Director; Rod Zenner, Community Development Director; Corinna Cole, Economic Development Director; Jenette Sturges, Community Engagement Coordinator- Marketing Julie Hoffman; Community Engagement- Special Events; and David Silverman, Village Attorney.

CONSIDERATION OF AND POSSIBLE ACTIONS ON-ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING

There was no one who participated electronically.

PUBLIC FORUM

Public Forum was opened at 6:00 p.m. There was no one who requested to speak; the Public Forum was closed at 6:00 p.m.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

F.1. Monroe's Gaming Presentation and Request for a Liquor and Video Gaming License

Clerk Touchette addressed the Board regarding a request for a liquor and video gaming license. Staff was approached by Mr. Wilbur Yu with a request to open a video gaming café at 4050 Wolf's Crossing Road, Unit B. This was previously the location of the Man Store. Zoning has been approved and a satisfactory background check has been received. The business qualifies for a Class "A" liquor license with no restrictions on the percentage of food sales. Additional comments were provided from the Village's Chief Building Inspector, Ron Fox, with regards to the occupancy load, water supply, means of egress and accessibility issues. Applicants, Wilbur Yu (CEO & Founder of Youtech Associates) and Trent Anderson, provided a handout to the Board and staff and presented their business plan.

Business Plan

- Experience in marketing, accounting, finance, law enforcement and information technology
- Oswego chosen as the first of many municipalities to do business in
- Promote a fun and safe atmosphere
- Provide economic impact to Oswego and its residents
- Long established relationship with Awesome Hand Gaming
 - Licensed terminal operator
 - 200 locations in Chicagoland area
 - Long standing client of Youtech
 - ✓ Marketing & development agency
 - ✓ Headquartered in Naperville

- ✓ Ranked #524 on Inc. 5000's list
- ✓ 40 full-time employees

Gaming Overview

The Commission estimates that net terminal income will total \$1.141 billion in FY17. Local governments would receive \$57 million.

- Oswego
 - 42 machines in nine establishments
 - \$33.3 million wagered
 - \$30.6 million won
 - Village gained \$136,000 in tax revenue
- Yorkville
 - 16 businesses with 72 machines
 - \$28.2 million played
 - \$25.9 million awarded
 - City earned \$112,000
- Plano
 - 11 places with 48 terminals
 - \$23.4 million bet
 - \$21.4 million won
 - City captured \$98,000
- Sandwich
 - 12 businesses with 49 machines
 - \$12.1 million wagered
 - \$11.1 million won
 - City received \$50,000

Board, staff and applicant discussion focused on upscale gaming café; specific demographic of older women; whether there are issues with being so close to a grade school; one of the partners is a Naperville Police Officer; not liking the location; each license request is handled on a case by case basis; currently have 11 businesses with video gaming; each business allowed five gaming terminals and unlimited number of redemption machines; redemption machines are used to payout winnings and also serve as ATM's; what drew them to wanting a location in Oswego; it's a growing city; other cities are saturated with gaming machines; close to home and familiar with the area; location has been vacant for nine months and landlord gave a great deal; easy access and parking; no other locations; needing to see an interior layout and what it will look like; will be ran like a family business; not looking to expand; needing to see the exterior elevations and what it will look like; will be upscale café style like Starbucks; games will be hidden; getting drawings to the Board; applicants have experience with this type of business; Mr. Yu is the only investor currently; will have 6-7 additional investors; location is approximately 1,500 square feet; smaller then Stella's' can expand because the building is vacant; whether Stella's needed to sprinkler the building; projected sales; promoting fun environment; investment to community; 70% of revenue from machines; 30% of revenue from food and drink; seeing increase year to year in the gaming business; marketing, retention, customer service, loyalty program, mobile app, rewards app; player tracking is illegal in Illinois, but may be passed in next 12 months; can't track what people are spending; not seeing the games when walking in; games will be towards the back; games hidden for the privacy of customers; geared for older people; will take 2-3 weeks to draft interior drawings; applicant wanting to move quickly; concerns with the location as it is the first thing seen when coming in town; busy corner with a liquor store and massage parlor; lips in the logo has weird synergy with other businesses located there; exterior plans are needed; logo may need to be changed; investing in the property; Youtech has clients in the area; familiar with the community; whether the applicants are married to the logo; applicants stated they have commitment issues; looking for low key brand; can get a new logo and marketing; concerns

with parking; tough to get in and out of the location; accounting for 4-5 cars; landlord did not designate parking spots; strip center becoming shady looking; opposed to the business; branding is wrong; loving the location. Applicants instructed to come back with interior and exterior drawings, a new logo and marketing plan. Applicant inquired as to when they can meet again. Applicant instructed to contact the Village Clerk. There was no further discussion.

F.2. Discussion Regarding Proposed Changes to 2018 Beats And Eats Festival Series

Director Cole addressed the Board regarding changes to the Beats and Eats festival. Oswego Beats and Eats began when Village resident and business owner, Macey Brooks contacted the Oswego Community Relations Department, in late 2012, with an idea for a new all-day, outdoor concert in Oswego. His proposal centered on a concert that would celebrate diversity through music, food, and art. The Village partnered with Mr. Brooks in realizing that vision. Mr. Brooks has played an important, entrepreneurial role since its inception. Since 2012, the event has become a festival series in the months of May, July and August. For 2018, Mr. Brooks has decided that Beats and Eats will be a two concert series. The concerts would take place on July 28 and August 25, which are the equivalent days to years previous. In past years, the Village partnered with Mr. Brooks in organizing the Beats and Eats concert series in several ways:

- The Village contributed up to \$10,000 to the Beats and Eats events in directly purchased goods and services, such as fencing and porta-lets
- The Village spent significant Community Relations staff time to the organization, marketing, and day-of operations of the event
- The Village helped organize volunteers to staff the event
- The Public Works department contributed up to 20 hours of overtime work to the set up and tear down of the event

In past years, the Village's support of Beats and Eats was not reimbursable. Contractually Mr. Brooks retained all potential profits coming from the event. Because the Village Board has expressed interest in improving the financial sustainability and transparency of special events, staff approached Mr. Brooks with a new model for partnering on Beats and Eats. Conversations are ongoing as to the particulars of the contract. However, the proposed deal contains changes summarized below.

Proposed Changes:

- Make the Village an approximate 2/3rd partner of the costs
- Increase some of the Village's responsibilities in putting on the event
- Make the Village the liquor license holder and hire a distributor to supply the alcohol
- The Village will share in the profits of the event with a goal to meet or exceed revenue
- Continue Mr. Brooks' role in selecting and securing bands and staging
- Partner with Mr. Brooks in fundraising and volunteer recruitment efforts

Risks/Rewards:

- The Village would be increasing its financial exposure to the event by taking on the role of event host; at the mercy of mother nature/storms
- The Village will share in the profits arising from the event
- The Village will have greater control and awareness of event expenditures
- The Village incurs some greater risk in being the liquor license holder
- The event may benefit from cheaper rates or "bulk" contracts for certain event goods and services, such as fencing, etc.; stretch the dollar further

Mr. Brooks was present to answer Board questions. Board and staff discussion focused on how the event would work if it was rained out; whether the bands would still be paid if rained out; bands would still be paid; could negotiate a rainout fee; concerns with the Village taking on expenses; additional liability as the liquor license holder; not wanting the Village to get in trouble; staff would work with the distributor on following rules and regulations; carrying appropriate insurance; fundraising and sponsorships to cover exposure and expenses; split 60/40; Village contributing \$27,000 versus the previous \$10,000; Mr. Brooks contributing \$15,000; what the profitability of the event is; Mr. Brooks has all rights to the profits; cost neutrality or profitability is the goal; why only two events; trying to do better business; getting expenses down and make sustainable; whether there were profits in the past; concerns with clarity of the P&L; having more stake in the event; partnership is a good thing; no fundraising was done in the past; \$6,000-\$10,000 in sponsorship; brainstorming to increase the sponsorship; usually takes a year or two to see how it works out; working out the details for fundraising; controlling the budget and raising money together; transparency needed to show money is being spent wisely; love the event; having appropriate servers and DRAM Shop insurance to decrease liability; staff time spent on the event; whether staff time is billed or donated; endeavor with the Village no different than Christmas Walk and Wine on the Fox; looking at costs for Public Works personnel; contribution of logistics to the event. Staff was given direction from the Board to move forward. There was no further discussion.

CLOSED SESSION

There was no Closed Session held.

ADJOURNMENT

The Committee of the Whole meeting adjourned at 6:53 p.m.

Tina Touchette
Village Clerk